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R E P O R T



PALADIN RESOURCES NL

ACN 061 681 098

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### ANNUAL GENERAL MEETING

A Notice of Meeting and Proxy Form accompanies this Annual Report

The Company continues efforts to position itself optimally and take maximum marketing advantage of the window of opportunity for development of uranium projects forecast to occur in the 2001 to 2003 period.

- Manyingee in-situ leach Project is undergoing detailed planning for a staged development programme and schedule to take the project to Bankable Feasibility by 2002.
- Kayelekera is a robust project and will also take priority. The full project database including the 1990 final feasibility and associated reports has now been acquired and revision will commence to update the final feasibility study.
- In the Frome Basin projects, efforts are underway to attract a joint venture partner to explore the numerous targets identified for ISL amenable deposits in the 10,000t to 20,000t range.
- Oobagooma Deposit with its large resource, potentially amenable to in-situ leach mining, is regarded as a valuable asset complementing the Manyingee resources.

RESOURCE INVENTORY

The global resources attributable to Paladin amount to 64,000,000 lbs (from the total of 71,700,000 lbs) at an average grade of 0.13% U<sub>3</sub>O<sub>8</sub>. As the table shows, this is contained within four deposits, two of which have potential for low cost ISL development.



PROJECT	EQUITY	U <sub>3</sub> O <sub>8</sub> TONNES	LBS (MILLIONS)	GRADE% U <sub>3</sub> O <sub>8</sub>
*Manyingee	100%	7,860 t	17.6	0.12
*Oobagooma	100%	9,950 t	22.3	0.12
Kayelekera	80%	11,550 t	25.9	0.15
Napperby	50%	2,625 t	5.9	0.08
Total		31,985 t	71.7	0.13

\* ISL

# Overall Paladin has completed an effective year of project consolidation and has positioned its two advanced projects ready for full feasibility study.

Dear Shareholder,

Paladin maintained a focussed programme to develop its key uranium projects during the year with significant advances being made in the planning of the feasibility studies on Manyingee and Kayelekera.

As with the rest of the resource sector, Paladin has seen a reduction in share price, however, it was pleasing to note our fundraising through the entitlement issue was oversubscribed and I thank our shareholders for this support.

We have completed a full resource review, feasibility study schedule and initial financial analysis on Manyingee and have identified key personnel for the future development team.

Importantly, we have renegotiated and reduced the purchase terms for this project with the upfront consideration being considerably reduced, thus allowing increased cash availability to Paladin for development of Manyingee.

At Kayelekera, after protracted negotiation, we have acquired the full project database including the feasibility study completed by the previous owners in 1990. We have made contact with senior people from that project who supported the prior feasibility study conclusions that the project is robust and can be made commercially viable. A new feasibility study schedule and costing for Kayelekera is currently being developed.

At our extensive Frome Basin projects we have now consolidated the land position, essentially completed Native Title requirements and have defined numerous prospective target areas after analysis of all documented past exploration. This project is ready to introduce a major uranium producer as a farminee.

Paladin remains concerned by the relative lack of understanding of



uranium and the nuclear fuel industry in general in Australia and particularly the vocal, commonly ill-informed comments from the "anti-uranium" lobby. It is clear to us that this group offers no viable alternative solution to the critical global electricity supply question.

We see nuclear power as an environmentally responsible alternative to fossil fuels and in-situ

leach uranium production as a clean, non-invasive method of mining. Each nuclear power utility maintains responsibility for external environmental issues and in the fee structure for electricity produced from these plants a component is included to fund management of waste disposal. None of the fossil fuel power utilities undertake such responsibility for greenhouse gas emissions. We include in this Annual Report as we have in prior years, important information about electricity and nuclear power for our shareholders.

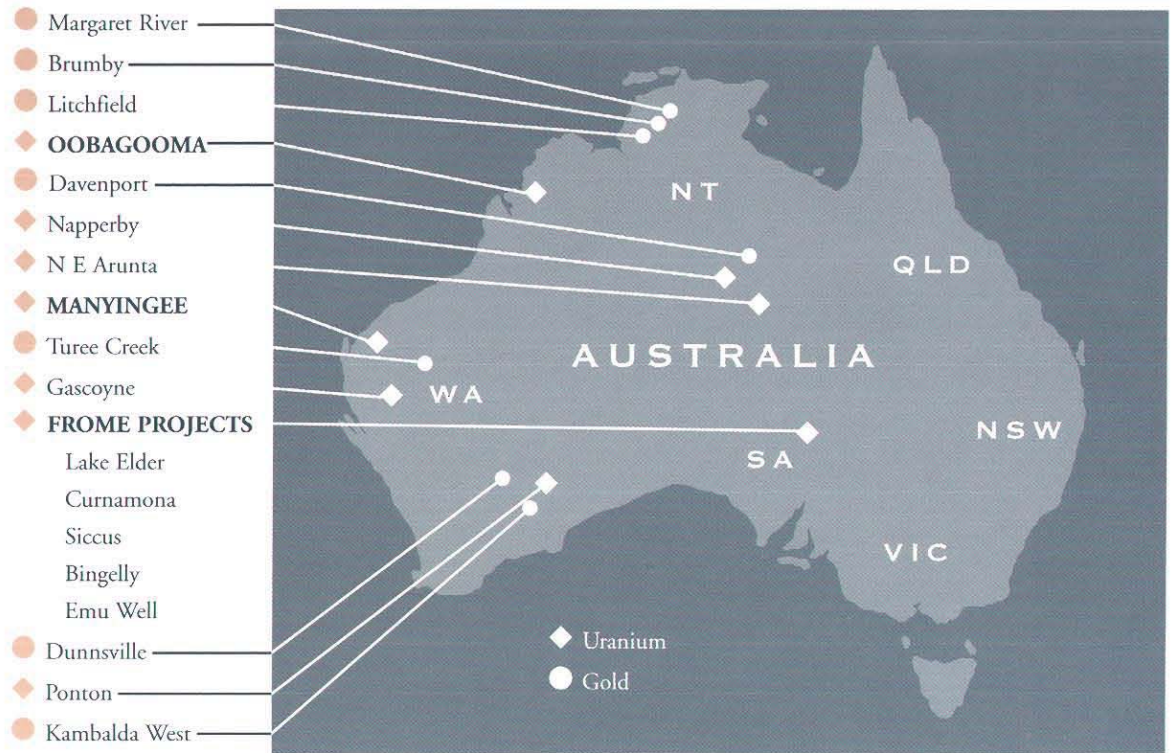
We are aware shareholders are receiving mail complaining about the nuclear industry and I suggest that any shareholder who has received such letters from the vocal minority and feels concerned about the contained information should contact this Company for explanations and clarification.

Similarly, the Frome is ready for initiation of a major exploration programme. This consolidation has added considerable value to the Company which we anticipate will start to crystallise and flow through to the share price in the coming year.

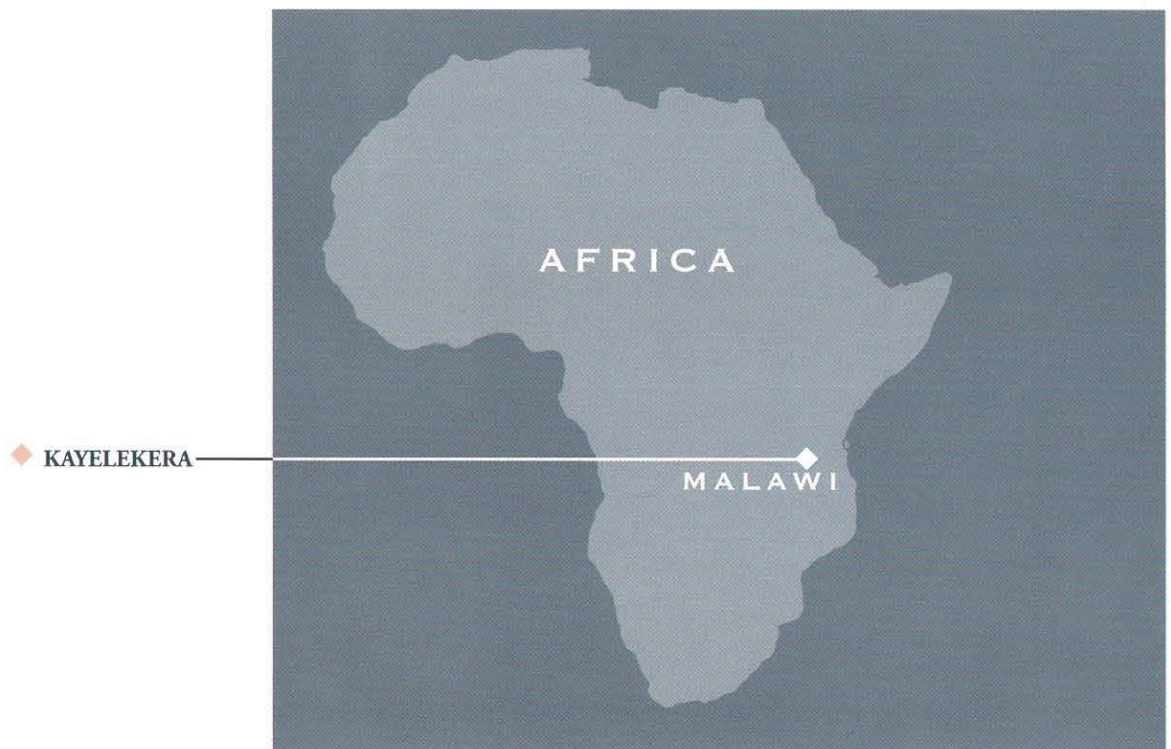
A handwritten signature in black ink, appearing to read "D. Dunnet". The signature is written in a cursive style and is positioned above a horizontal line.

Dr D Dunnet  
CHAIRMAN

## PROJECT LOCATIONS



Overall Paladin maintains 12 uranium projects 11 in Australia and one in Malawi, Southern Africa and is currently rationalising and seeking to farm-out its remaining gold projects.



NUCLEAR POWER -  
BASE LOAD BENEFACTOR

In 1996 there was as much electricity generated by nuclear power as from all the sources worldwide in 1960 (2300TWh).

### The Electricity Phenomenon

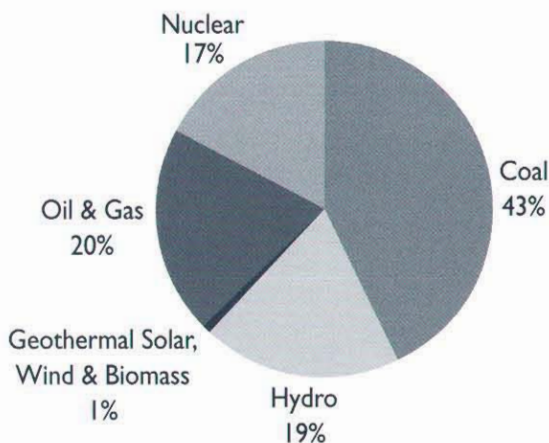
Electricity powers, illuminates, and heats the industrial, commercial and domestic might of all developed and developing nations. It is the wonder product of the 20th century and has had a profound positive effect on both technological development and living standards.

It is almost 100 years ago since, at the World Expo held in St Louis, USA, the new technological concept of electricity was presented and the benefits of this amazing energy were promoted.

Electrification of cities commenced almost immediately afterwards and today this form of power dominates the industrial foundation of all but the poorest of countries. In a comparatively short time, electricity consumption has had a meteoric growth. Within the framework of the next 100 years however, this growth is at an early stage of development. Electricity is now the life blood of the world. Electricity is a vital, critical resource which globally is in very short supply. Unfortunately an enormous dichotomy exists between the energy-starved and the more privileged countries. This unacceptable imbalance must be, and inevitably will be, remedied.

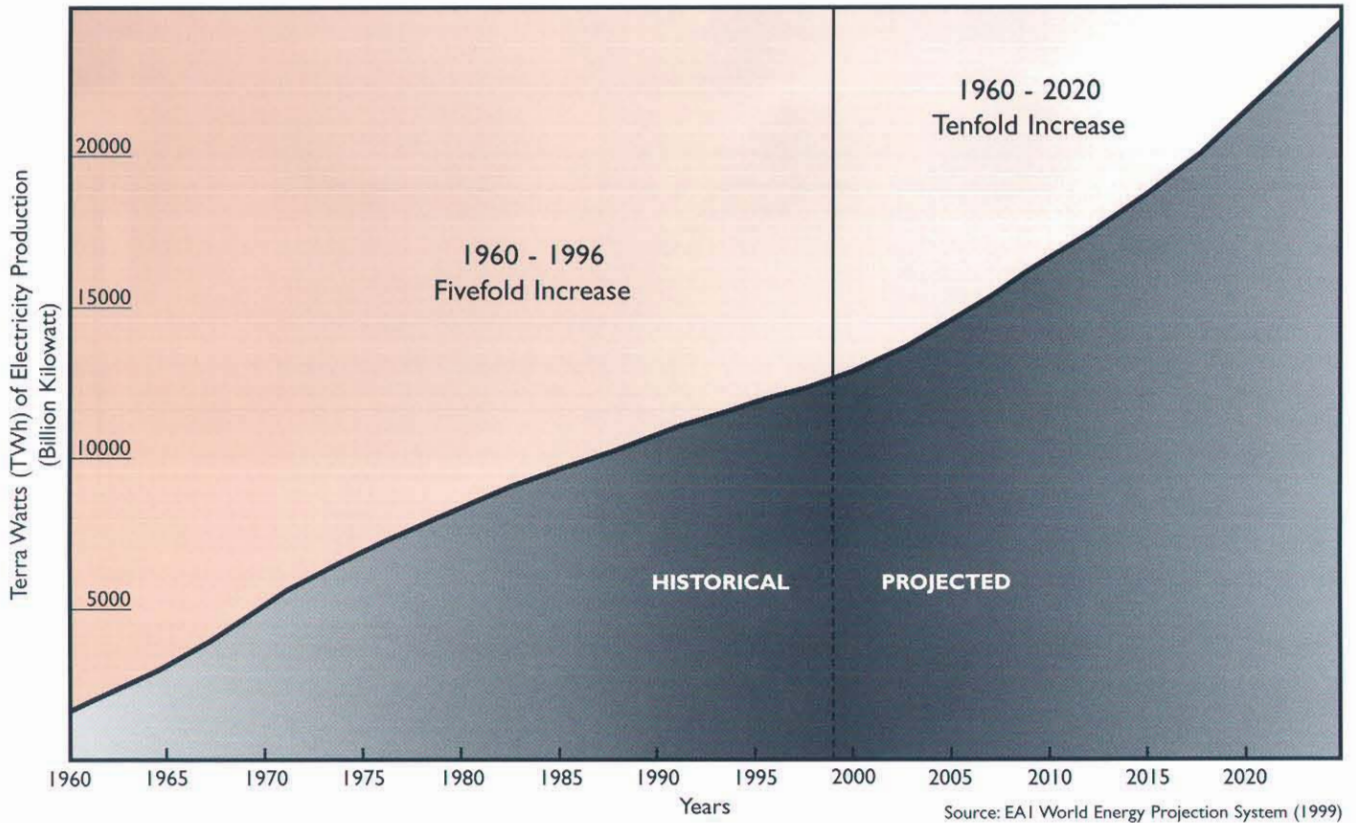
The six billion people in this world make up a complex electricity consumer spectrum. Two billion people live without any electricity at all in their homes. At the other end of the scale a mere 750 million people in the OECD countries consume over 60% of the global power production. The potential for life threatening pollution from greenhouse gas emission is enormous. To avoid environmental catastrophe, the energy fuel mix must change as demand increases, with increased contribution from the nuclear sector. Over one third of the global warming by greenhouse gas emissions results from burning of coal for base load electrical power generation.

FUEL MIX FOR GLOBAL ELECTRICITY SUPPLY (1996)

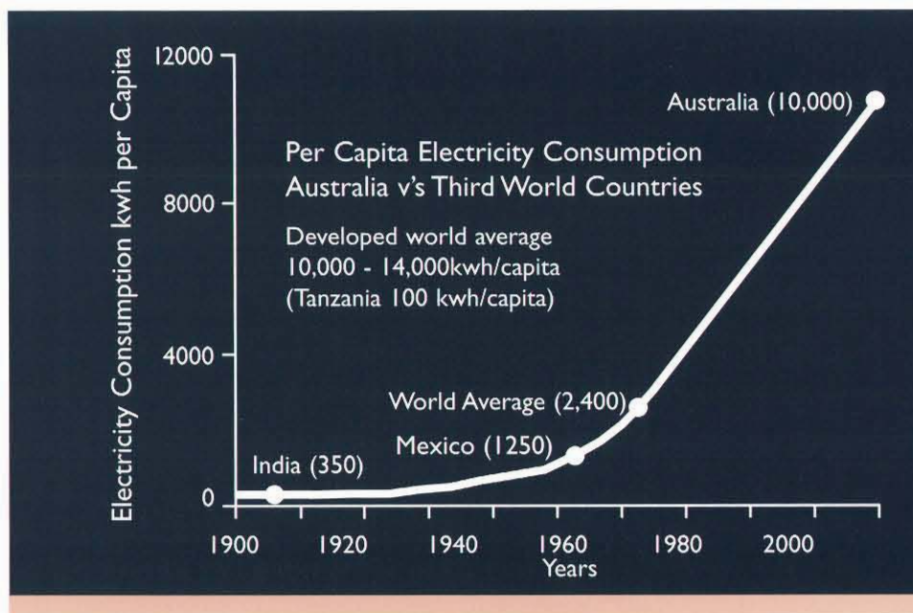


Source: BP World Review

GLOBAL ELECTRICITY PRODUCTION HISTORICAL AND PROJECTED

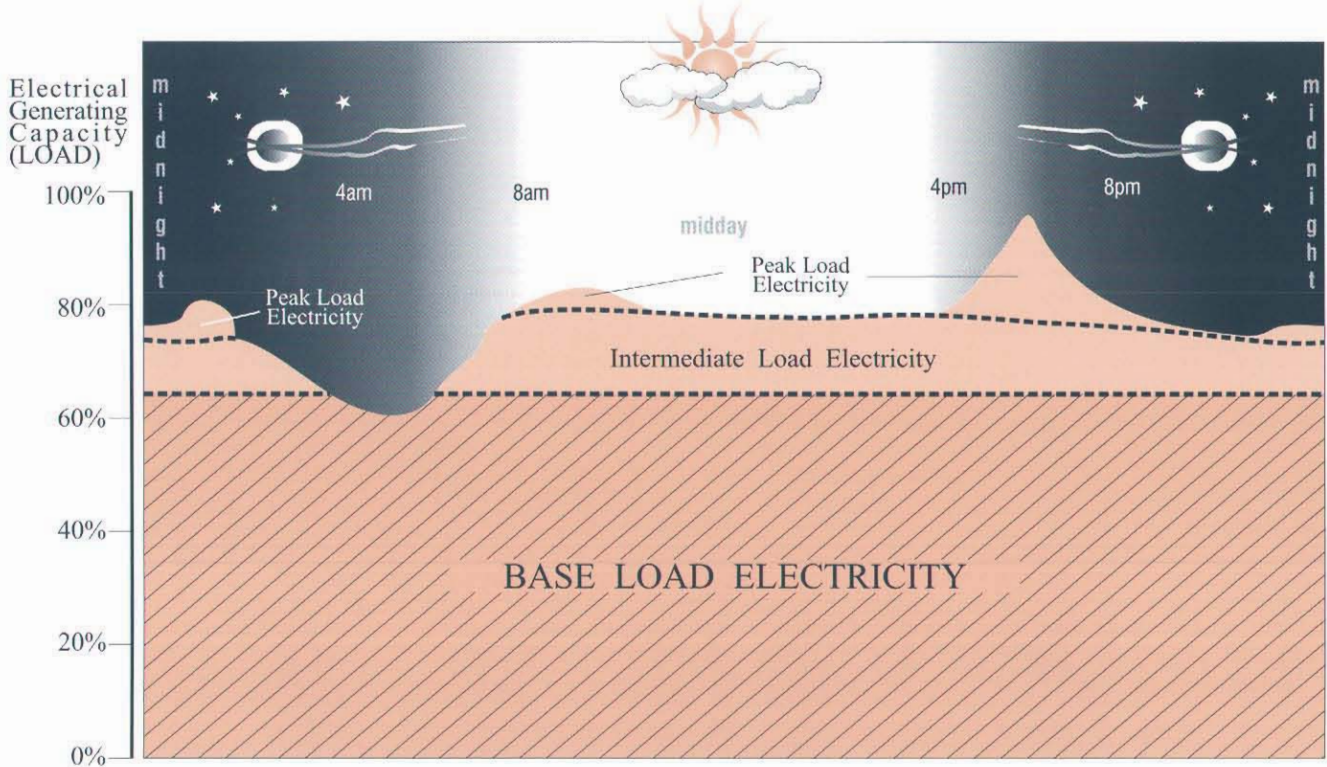


ELECTRICITY GROWTH FACTORS



# NUCLEAR POWER - BASE LOAD BENEFACTOR

ELECTRICAL LOAD DISTRIBUTION (WEEKDAY) SCHEMATIC ONLY



It is important to note that power stations are built to supply either continuous base load electricity or the more intermittent, intermediate and peak load electricity. The base load power stations dominate production, producing up to 90% of total electricity generated. These power stations are required to produce a continual supply cheaply and reliably. They are critical providers to industrial, commercial and domestic markets and primarily use coal, nuclear power or hydro to drive their generators. Peak and intermediate load power stations provide the balance of power, able to react quickly to variations caused by time of day, day of the week and the seasons. These ancillary stations rely mainly on gas, oil and hydro where available, to drive their generators. Renewable energy such as solar, wind and tidal at best can only provide electricity on an ad hoc basis, possibly able to contribute to peak and intermediate loads but totally incapable of contributing reliably to the critical and dominating base load power requirements of a nation.

The key question then is how to fuel base load power generation

and decide what mix of energy fuel will give optimal results. If concerns about the environment, global warming and efficiency are to be considered, reliance on coal cannot continue unabated for the production of this electricity. Clearly, at present, renewable energy sources are not an option for supply of base load electricity and this is likely to be the case for 100 years or more. Equally clearly, due to emerging environmental constraints, hydro has limited capacity to contribute to growth. More gas-fired stations will be utilized although these also emit unacceptable levels of greenhouse gas. Nuclear power however, has the required attributes with a zero greenhouse gas emitting technology, a proven capacity to provide safe base load power generation on a sustained basis and accommodate future world growth needs. There can be little debate that in terms of need, comparative risk and capability it is essential that nuclear power be used to partner coal in the generation of electricity.

Paladin is proud to be a part of this process to supply nuclear fuel to the electricity generating industry of the world.



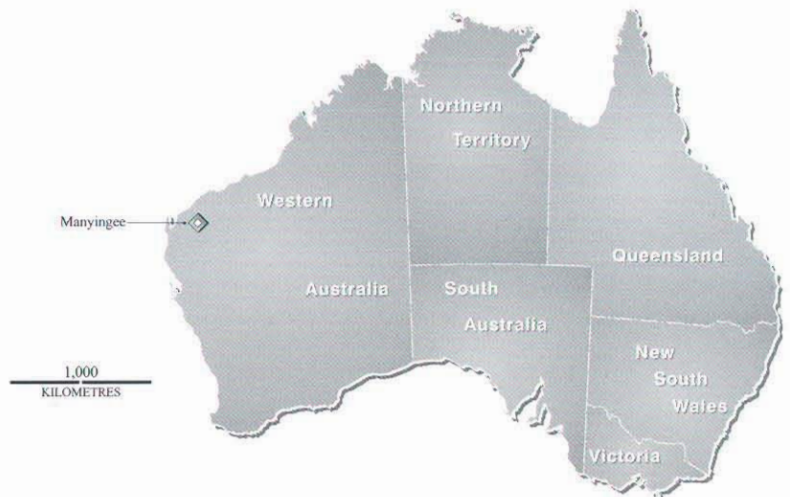
# Efforts during the year focussed essentially on consolidating information and understanding on the Company's key Manyingee and Kayelekera Uranium Deposits acquired during the previous years.



Manyingee and Kayelekera are data rich projects each taken by their previous owners to pre-feasibility, and for Kayelekera, final feasibility status. Most work and effort by Paladin involved existing data reassessment and formulation of new strategies to progress Manyingee and Kayelekera to development.

In the advanced exploration category, the Frome Basin projects took precedence with all prospect/target definition work completed and Native Title Clearances obtained such that these projects are now available for farm-out to a major. The announcement in March of approval for the go-ahead of the ISL mine at Beverley has given new significance to the Frome Basin region.

Gold exploration efforts took a lesser role due to current downturn in this commodity with the Kambalda West Joint Venture the only active gold project for the company. Inadequate results have justified withdrawal from this project subsequent to year end.



## Uranium Deposits

### MANYINGEE DEPOSIT

*Western Australia (Paladin 100%)*

The Manyingee Deposit is located 85km south of Onslow and 0.5km west of the Tubridgi Gas Pipeline in the Pilbara Region of Western Australia. It encompasses three granted mining leases covering 13km<sup>2</sup>.

In June 1999 Paladin completed the acquisition of the mining tenements. This was the direct result of a re-negotiation of the terms and conditions with the vendors Afmeco Mining and Exploration Pty Ltd and Urangesellschaft Australia Pty Ltd for the purchase of the Manyingee Project in June 1998. The previous owners identified an indicated and inferred resource of 7,860

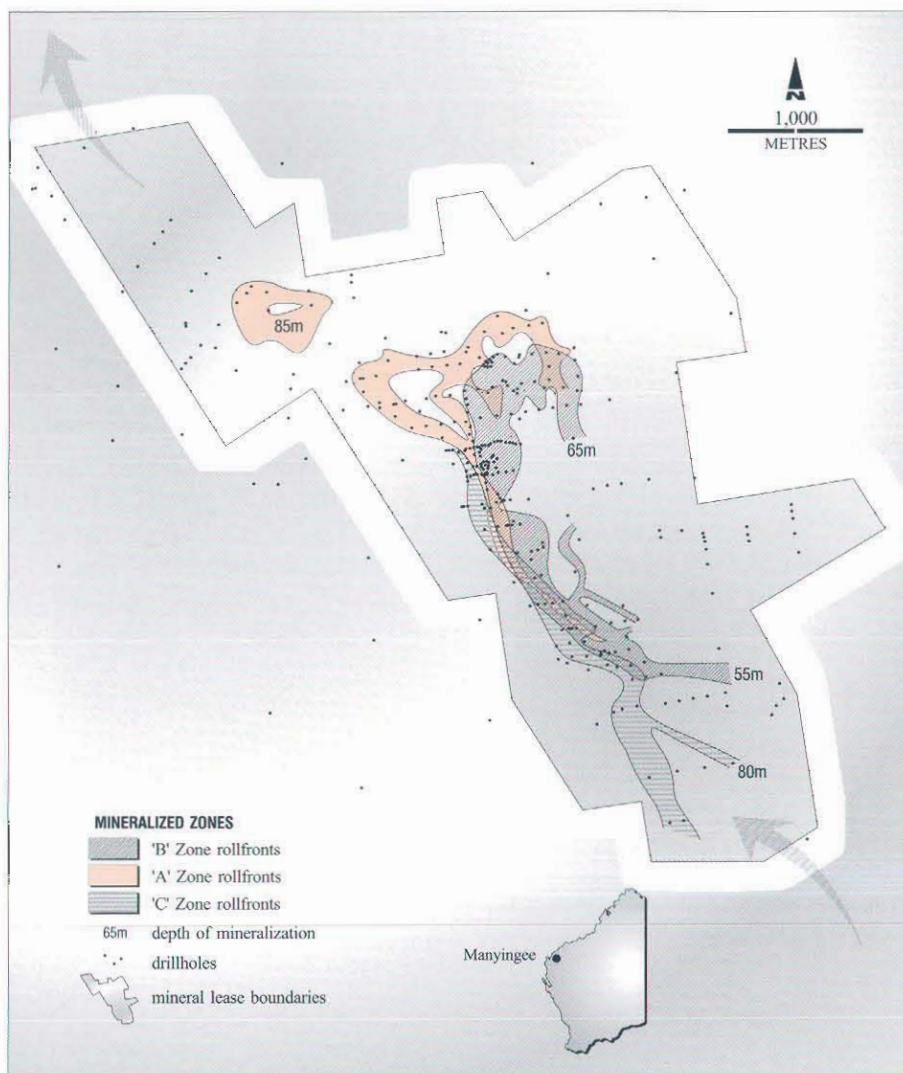
tonnes of contained U<sub>3</sub>O<sub>8</sub> at an average grade of 0.12% U<sub>3</sub>O<sub>8</sub>. Although only small portions of the deposit have been drilled in detail, the 400 previously drilled holes delineated a fertile regional redox geochemical cell extending some 8km within the Cretaceous Manyingee Palaeochannel. This cell is still active and moving naturally through the ground water regime.

Under revised terms the cash payments due in June 1999 and June 2000 were reduced by \$2,250,000. On signing the revised agreement, Paladin was required to pay \$500,000 allowing immediate transfer of mining titles. The balance of payment is

based on positive project outcome with \$750,000 due only when the project obtains all development approvals. The royalty payable was increased from 1% (uncapped) to 2.5% (up to 2000 tonnes uranium oxide production) and 1.5% (from 2000 tonnes to 4000 tonnes production).

Work over the year included the digitisation of the bulk of the database, followed by the study and re-interpretation of the previous geological results and resource studies. The detailed geological evaluation clearly categorised the mineralisation into three distinct roll front systems controlled by distinct geological environments.

Further evaluation concentrated on three-dimensional modelling of the individual mineralised roll fronts.



MANYINGEE MINERALISED ZONES

Figure 2

Figure 2 shows the surface projection of these modelled roll fronts. It is anticipated that infill drilling will add further leachable uranium to the resource base.

A project development programme and schedule is underway. This is considering the key components of environmental issues, metallurgy, hydrogeology, in-situ leaching and engineering to produce a coherent schedule for completion of the EIS study and a bankable feasibility study including requirements for a field leach trial test. Key consultants and advisers for each stage of the evaluation programme have been identified. This programme can be undertaken in three separate phases to be completed by the end of 2002. Project risk will be reduced by adopting this staged approach with completion of the EIS expected prior to initiation of the main and more expensive engineering studies.

In the next year, subject to raising sufficient funding, Paladin plans to complete the review of the existing engineering, hydrogeological and metallurgical data, commence the EIS process and finalise the resource study using the existing database of the project.

#### KAYELEKERA DEPOSIT GRADE THICKNESS CONTOURS

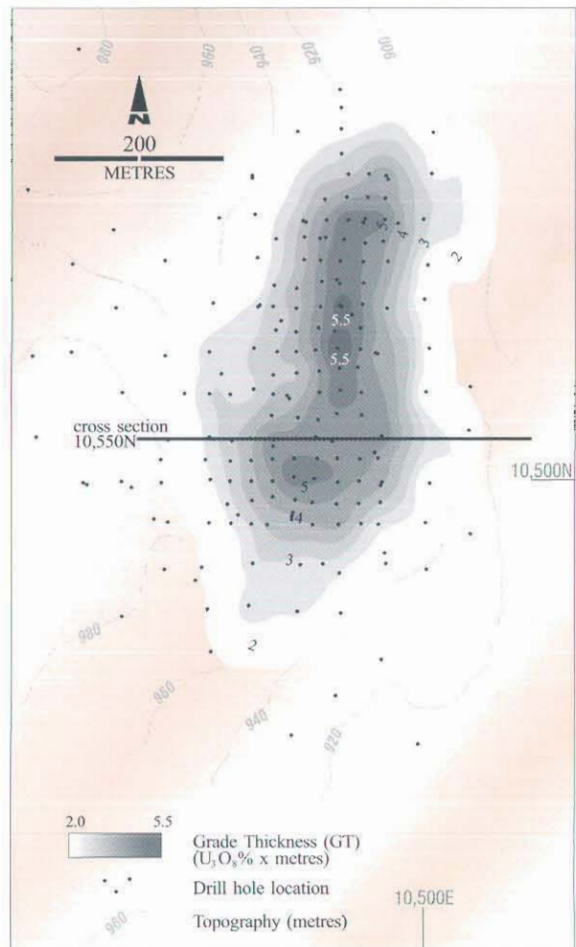


Figure 3

#### KAYELEKERA DEPOSIT

*Malawi, Southern Africa (Paladin earning 80%)*

The Kayelekera Deposit is located in the northern part of Malawi, Africa. The project is situated 8km south of the main road connecting the townships of Karonga and Chitipa. It is accessible via dirt road and is 40km to the west of the provincial town of Karonga. The Kayelekera Deposit is covered by the Exclusive Prospecting Licence EPL 070. The licence was granted to Balmain Resources on January 26, 1998 for a period of 3 years and covers a total of 157km<sup>2</sup>. Paladin Resources NL is earning an 80% interest through a farm-in agreement with Balmain Resources signed in March 1998.

All available information collected from the Malawi Geological Survey has been digitized and office studies including orebody analysis and interpretation have been carried out (Figure 3). The work broadly confirmed the interpretations in the feasibility study.

Review of available reports indicates the Kayelekera project has had an excellent high quality exploration and evaluation history leading to completion of the feasibility study by Central Electricity Generating Board of Great Britain (CEGB) in 1990. A summary of the project history is shown on page 11.

# REVIEW OF OPERATIONS

## KAYELEKERA PROJECT

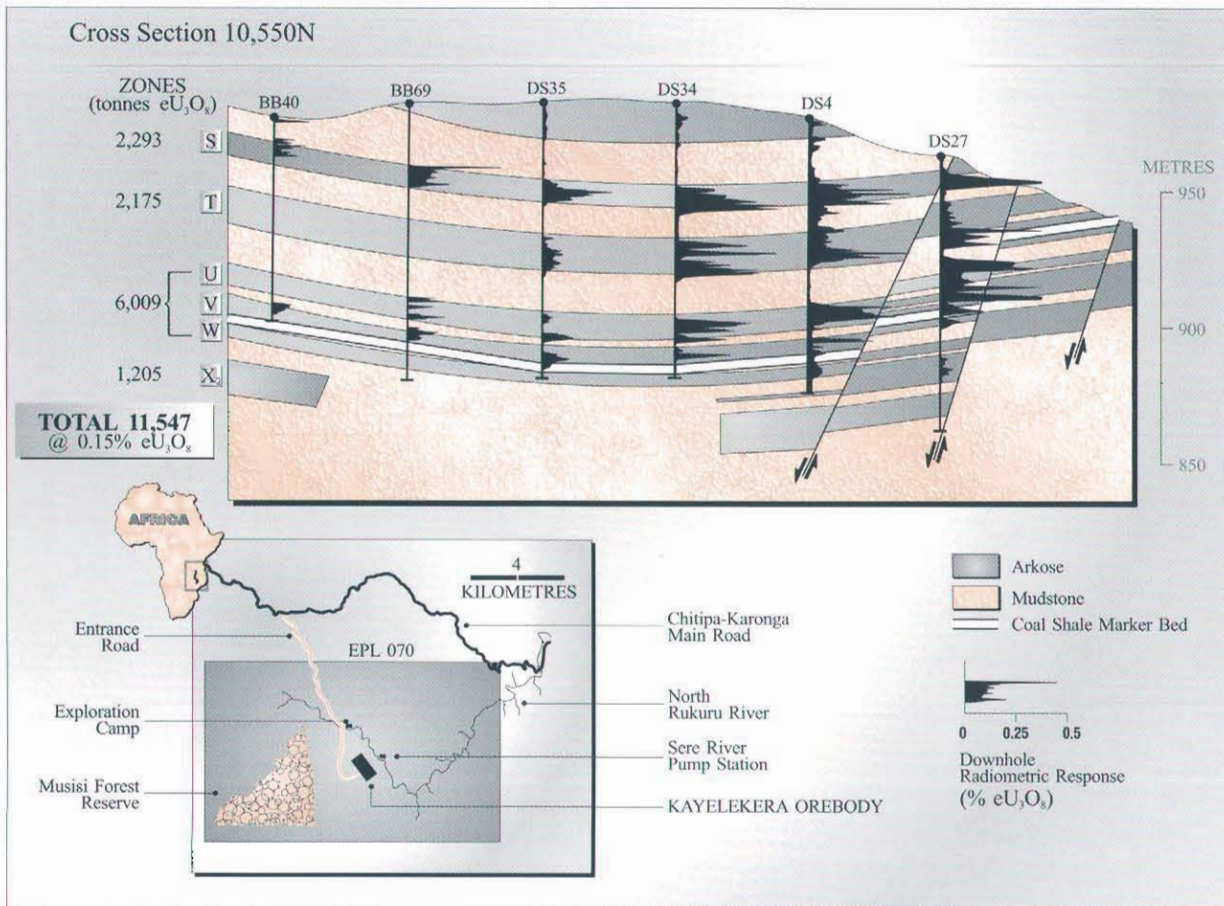


Figure 4

The principal mineralised lenses that form the bulk of the orebody are hosted within distinct arkose units and occur up to a depth of 100m from surface. The lenses are superimposed vertically along a trend lying approximately parallel to the synclinal axis of the fault-bounded structure. Figure 4 shows the orebody location and a typical cross-section.

In the final feasibility study conducted in 1990 by Wright Engineering in Canada the following resource figures were given:

	0.05% CUT OFF		0.1% CUT OFF	
	TONNES U <sub>3</sub> O <sub>8</sub>	% U <sub>3</sub> O <sub>8</sub>	TONNES U <sub>3</sub> O <sub>8</sub>	% U <sub>3</sub> O <sub>8</sub>
Measured	6,692.4	0.173	5,752.0	0.231
Indicated	4,281.7	0.126	3,065.4	0.189
Inferred	573.1	0.087	252.2	0.128
<b>TOTAL</b>	<b>11,547.2</b>	<b>0.145</b>	<b>9,069.6</b>	<b>0.210</b>

Progress on this project has been hampered by delays in locating the extensive main project database which includes the 1990 final feasibility study and associated reports. Most efforts concentrated on the location and acquisition of this information base. This has now been successfully achieved. The data is expected to arrive in Perth late 1999.

The main objective will be to review and reassess the project database to generate an updated and optimised mine model and use this as the basis to revise the 1990 feasibility study. It is intended to firstly carry out a scoping study to provide preliminary indication of the benefits arising from utilising new metallurgical, engineering and fiscal inputs. Benefits of incorporating radiometric ore sorting will also be examined. New engineering efficiencies deriving from familiarity of establishing mines in Africa by Australian engineering firms, improved infrastructure and improved Malawian government investment policies are expected to substantially improve the project viability factors.

## KAYELEKERA PROJECT HISTORY

- 1982 CEGB application for two prospecting licences over AGIP discovered anomalies.
- 1983 - 1987 Gridding, ground spectrometry and radon surveys defined 900 x 200m anomalous zone at Kayelekera.
- 183 drill holes (16068m) completed.
- Prefeasibility study completed based on a preliminary resource of 11,700 tonnes at 0.187% U<sub>3</sub>O<sub>8</sub>.
- Cost and definition study by Stockton Ltd.
- 1988 Final ore reserve studies completed.
- Confirmed reserves of 9200 t at 0.162% U<sub>3</sub>O<sub>8</sub>.
- Environmental Baseline Studies started by W.S. Atkins and Partners.
- 1989 18 drill holes for geotechnical and metallurgical work.
- 8 drill holes to identify structures (total 1997m).
- 2 tonnes of metallurgical samples to Lake Field Research in Canada.
- Geotechnical and Metallurgical Studies started by Piteau and Associates.
- Final Feasibility Study started by Wright's Engineering in Canada.
- Hydrological Study started by Steffen, Robertson and Kinsten.
- Fluor Daniels consultants validate previous geological work on behalf of Wright Engineering.
- 1990 Continued environmental data, monitoring ground water and stream hydrology.
- The Kayelekera project is transferred to Nuclear Electric PLC a company wholly owned by the British Government.
- 1991 Final feasibility study completed.
- 1992 Privatisation of Nuclear Electric PLC
- Project mothballed/relinquished.
- 1998 EPM 070 granted to Balmain Resources - January 1998
- Paladin is earning an 80% interest in the project through a farm-in agreement with Balmain Resources signed March 1998

## OOBAGOOMA PROJECT

*Western Australia (Paladin 100%)*

The Oobagooma Project is located 75km north east of Derby in the Kimberley Region of Western Australia on freehold land owned by the Commonwealth and used by the military. The area is covered by two EL applications covering 392 km<sup>2</sup>.

The Oobagooma project was explored by Afmeco from 1983 to 1986 during which time extensive zones of uranium mineralisation were discovered. Afmeco calculated ore resources using geostatistical methods employing a cut off of greater than 300ppm U<sub>3</sub>O<sub>8</sub>. A total geological resource of 9950 t U<sub>3</sub>O<sub>8</sub> at 0.12% was calculated and includes a resource of 5432 t U<sub>3</sub>O<sub>8</sub> at 0.14% with a grade thickness of greater than 0.1% (percent x metres).

Access was not gained on this project during the year. The main exploration effort, once the tenements have been granted, will be to confirm continuity of the uranium mineralisation by infill drilling concentrating on mineralised redox fronts as re-interpreted and further develop the reserves for consideration of a future ISL mining operation.

# Exploration

### FROME PROJECTS

#### *South Australia (Paladin 37.5 to 50%)*

The Frome Basin of South Australia is located 500km north of Adelaide. Exploration for uranium in the Frome region commenced in 1968 and continued until the early 1980's focussing on targets occurring within Tertiary palaeochannel systems. Two substantial uranium deposits, Beverley (Heathgate Resources Pty Ltd) and Honeymoon (Southern Cross Resources Ltd) were discovered during this time.

After a successful field leach trial and submission of its Environmental Impact Statement, Beverley received approval for mining in early 1999. Field leach testing is currently continuing at the Honeymoon Deposit and approvals for a go ahead for ISL mining is expected within the year. These highly significant developments will result in the Frome Basin becoming a major uranium producing province and strongly justify the PBJV focus in this region.

The Paladin Brightstar Joint Venture (PBJV) operates two projects (Lake Elder and Curnamona) and three joint venture exploration projects (Bingelly Joint Venture, Emu Well Joint Venture, Siccus Joint Venture) in the Frome Basin involving in excess of 14,000km<sup>2</sup> of ground (Figure 5).

Subsequent to year end, the PBJV partners re-negotiated the Curnamona Uranium Joint Venture with Datafast Telecommunications NL (formerly Goldminco NL). As a result, Datafast has withdrawn and only retains a 1% net of smelter royalty on non-uranium minerals. Paladin and Brightstar Power Corporation now each hold 50% equity in the Curnamona tenements.

All drilling from previous exploration in the region, involving 4,060 drillholes has been compiled and assessed. The search model is to locate targets amenable to ISL application.

This evaluation of previous work has identified 15 prospects or target zones prospective for such uranium mineralisation, in the PBJV controlled tenements. Conceptual targets also exist in previously unexplored areas within the palaeochannels which have been defined.

Recent amalgamation of Native Title claims has simplified the land access picture and the PBJV will soon be in a position to commence evaluation of key drill targets defined by extensive database analysis. Exploration access agreements with the Kuyani (SC95/4) and Adnyamanthanha (SC99/1) have been registered with the Mines Department. Local and overseas parties will be approached with a view to seek their interest to farm into this highly prospective project.

Evaluation is showing the PBJV tenement holdings in the Frome Region offer excellent potential for the discovery of uranium deposits in the 10,000 to 20,000 tonne range amenable to mining by ISL.

Targets identified in each of the individual Frome Basin projects are listed in Figure 5.

FROME BASIN PROJECTS

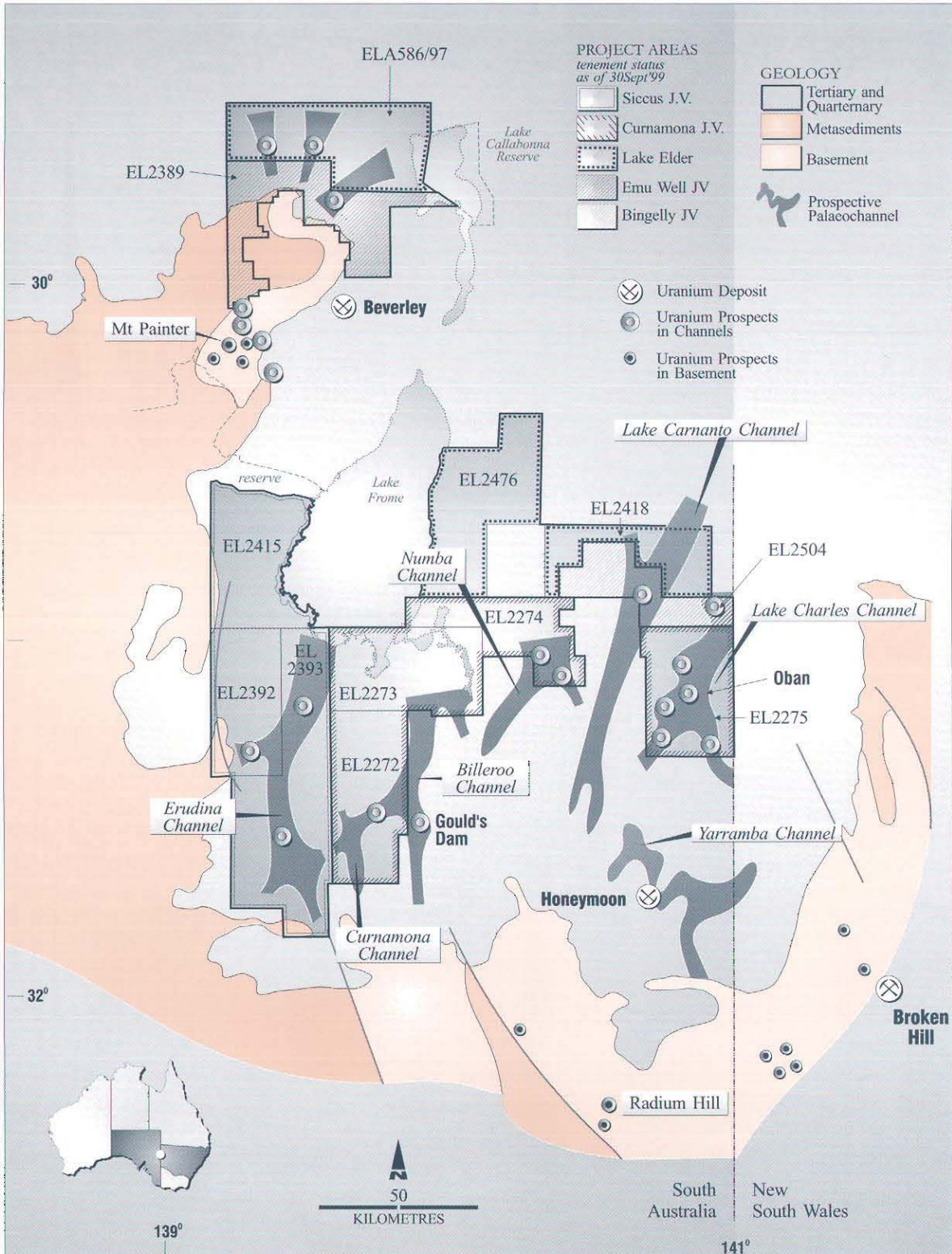


Figure 5

## REVIEW OF OPERATIONS

### CURNAMONA PROJECT - SOUTH AUSTRALIA (PALADIN 50%)

Seven clear target zones including four prospects previously drilled by the PBJV, which have confirmed uranium mineralisation, were identified in the prospective sands of the Eyre Formation. Additional to these targets, areas along the western margin of the Benagerie Ridge were identified as greenfield targets that have not been explored.

### LAKE ELDER PROJECT - SOUTH AUSTRALIA (PALADIN 50%)

Two prospects in Eyre Formation palaeochannels in the northwestern Frome Basin have been identified in the project area. Both show well defined redox cells trending 2 to 3km downstream along approximately 5km wide channels.

### SICCUS JOINT VENTURE - SOUTH AUSTRALIA (PALADIN 45%)

Three target zones have been identified in north and northwest trending Eyre Formation palaeochannels. A fourth large zone includes the western edge of the Frome Basin, which holds significant potential for Beverley type mineralisation in the Namba Formation.

### BINGELLY JOINT VENTURE - SOUTH AUSTRALIA (PALADIN 40%)

Two target zones have been defined, one of which shows repeated uranium intercepts over 0.5 to 1.5m in the upper sands of the Eyre Formation.

### EMU WELL JOINT VENTURE - SOUTH AUSTRALIA (PALADIN 45%)

The Joint Venture area includes a prospect showing uranium mineralisation in the Namba Formation with similarities to the Beverley style mineralisation.

## PONTON PROJECT

### *Western Australia (Paladin 50%)*

The Ponton Project is located 200km east of Kalgoorlie at the edge of the Victoria Desert in Western Australia. The project includes six Exploration Licence Applications totalling 1,061km<sup>2</sup>. Most of these tenements are situated within an A Class Flora and Fauna Reserve.

An assessment of the results of the Double 8 Prospect and related anomalous zones has confirmed their similarities to some of the Frome Basin deposits and mineralisation indicating an ISL resource potential in the vicinity of 20,000 tonnes U<sub>3</sub>O<sub>8</sub> for this project.

Advice was received from the Department of Conservation and Land Management (CALM) that the Minister for the Environment has given approval for exploration in the Queen Victoria Springs Nature Reserve. This is subject to approval of any work by CALM. A work proposal for the Department is in preparation. Any grant of the ELAs is subject to native title clearances.

The Department of Minerals and Energy, WA were requested to initiate the expedited procedure under the Native Title Act to have the exploration licence applications granted.

## Other Uranium Projects

A minor field review was undertaken on the Gascoyne project and Paladin is currently seeking a joint venture partner for this project.

No work was carried out in the Napperby and NW Arunta projects due to non grant of tenements pending of Native Title legislation in the Northern Territory.



## Gold Exploration

### KAMBALDA WEST JOINT VENTURE

*Western Australia*

All previous data and results on this project were evaluated in detail. This along with field mapping assisted by airborne geophysical and photographic surveys resulted in identification of two new target areas and the selection for follow up work of two existing prospects.

The joint venture undertook an extensive shallow bedrock RAB drilling programme to test these targets returning disappointing results. A joint data review was undertaken over all the project with WMC to determine the potential for extending the Jonah Dam/Cave Rocks gold resource.

Although the project area is regarded as being prospective for greater than 500,000oz gold deposits it is now realised that this target potential possibly exists at depths greater than 100m and it is outside the limits of the joint venture search parameters. The decision has been taken to withdraw from this joint venture subsequent to year end.

### YILGARN GOLD JOINT VENTURE

*Western Australia*

This project generation joint venture with Paladin and Ranger was dissolved as planned in March 1999 following the successful acquisition of the Kambalda West Joint Venture project.

## Farm-out Projects

Acacia Resources drilled 8 RC holes targeted on costean anomalism at the Rincewind prospect in the Brumby Joint Venture tenements and they are continuing efforts in this joint venture. Acacia withdrew from the Margaret River Joint Venture in June and it is planned to relinquish the tenements.

On the Dunnsville North Joint Venture Delta Gold drilled 9 RC holes in the Top Dam Prospect. Expenditure was \$56,000 falling short of the minimum expenditure of \$150,000. Delta is continuing to explore the joint venture area.

## Corporate

### 20F REGISTRATION

The Company continues to maintain its 20F registration with the USA Securities and Exchange Commission in New York. A non USA company that satisfies these SEC filing requirements can legally solicit the sale of their securities to the residents of any state in the USA.

### FUND RAISING

In September 1998 the Company raised \$500,500 to augment working capital at 11 cents per share. 2,275,000 unlisted options exercisable at 25 cents on or before 31 August 2000 were attached to this placement.

In May 1999 a successful entitlement issue raised \$1.355m with a further \$140,000 received in over-subscriptions. This was the result of a 1:5 non-renounceable entitlement issue at an issue price of 8 cents per share together with a free attaching option exercisable at 20 cents on or before 31 October 2000. The Board was particularly encouraged by the level of support, with 96% of the issue taken up by existing shareholders. The funds were raised to provide working capital and payment of the balance of the Manyingee Project acquisition cost.

### GULLEWA GOLD NL

Subsequent to the end of June 1999, Paladin sold half of its shareholding in Gullewa to Allegiance Mining NL and granted a voting proxy over the balance held by Paladin (4,048,430 fully paid shares). Paladin retains a total of 6,070,645 fully paid shares in Gullewa having converted its two million partly paid shares when called in August 1999. Allegiance has a right of first refusal over the balance of Paladin's holding and has a 9 month option to acquire two million of these shares at 16 cents per share.

## CORPORATE GOVERNANCE STATEMENT

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### CORPORATE GOVERNANCE

The Board is responsible for the overall Corporate Governance of the Group ("the Group") including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has also established a framework for the management of the Group including setting levels of remuneration for Executive Directors, Managers and senior personnel, an overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews operational and financial performance and reviews and approves detailed budgets and investment opportunities. Being a small company at present, the Board works closely with executive management to identify and manage operational, financial and legislative risk. Whilst the Corporate Governance policies and procedures have been in place since the incorporation of the Company, they were formally adopted by the Board in May 1996.

### AUDIT COMMITTEE

The Company is not of a size which justifies having a separate Audit Committee, however, matters typically dealt with by such a committee are dealt with by the full Board.

### COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- The Board should comprise four Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate materialises.
- The Chairman of the Board should be a Non-Executive Director.
- The Board should comprise Directors with a broad range of expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The Company does not have a formal Nomination Committee.

### INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to seek independent professional advice at the Group's expense. However, prior approval of the Chairman is required, which may not be unreasonably withheld.

### REMUNERATION

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives. The Board obtains independent advice on the appropriateness of remuneration packages.

### ETHICAL STANDARDS

All Directors, managers and employees are to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

## DIRECTORS' REPORT

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The Directors present their report on the consolidated accounts for the year ended 30 June 1999.

### DIRECTORS

The Directors in office at the date of this report are:

#### DR DOUGLAS DUNNET *(Chairman - Non-Executive)*

B.Sc. (Hons) PhD. FAusIMM

Dr Dunnet is a geologist with over 30 years experience. He has a strong background in financial management of mineral project initiation and development in Australia and North America, including 14 years with the Anaconda group of companies.

In 1984 Dr Dunnet became a principal of Aurex Pty Ltd, a contracting and consulting company. In 1987 he initiated the listing of and became Managing Director of Orion Resources NL. He was subsequently instrumental in acquiring a 45% interest in the Yilgarn Star Gold Mine near Southern Cross and guiding Orion to its market capitalisation of over \$130 million prior to the takeover by Sons of Gwalia NL. This included the successful transition from significant open pit mining to major underground mining operations producing in excess of 100,000ozs per annum.

#### MR JOHN BORSHOFF *(Managing Director)*

B.Sc. FAusIMM

Mr Borshoff is a geologist who has been involved in the Australian exploration and mining industry for 26 years. Mr Borshoff worked for International Nickel and Canadian Superior Mining before joining a German mining group, Uranerz from 1976 to 1991. He became Chief Geologist/Exploration Manager during the period 1981-1986 and served as its chief executive from 1987 to mid 1991 when the German parent of Uranerz made the decision to close its Australian operations. Uranerz primary focus was for the search and development of uranium projects with the company operating extensively throughout Australia, North America and Africa.

Mr Borshoff has extensive experience in uranium, gold and base metal exploration, company management and administration.

#### MS GILLIAN SWABY *(Director/Company Secretary)*

B.Bus., FCIS

Ms Swaby has been involved in the Australian mining and exploration industry for 19 years. Ms Swaby is experienced in areas of secretarial practice, management accounting and corporate and financial management and is a Fellow of the Chartered Institute of Secretaries. She is the principal of Strategic Consultants Pty Ltd, specialising in corporate consultancy and is also a Director and Company Secretary of Gullewa Gold NL.

#### MR RICK W. CRABB *(Director - Non-Executive)*

B. Juris (Hons), LLB, MBA

Mr Crabb is a partner with the legal practice, Blakiston and Crabb and a director of the investment bank, Chatsworth Stirling Pty Ltd. He holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He has practised as a solicitor since 1980 and was previously a partner with a major law firm. He specialises in mining, corporate and commercial law. Mr Crabb is also a director of Menzies Court Holdings Limited and Ashburton Minerals NL.

### PRINCIPAL ACTIVITY

The principal activity of the economic entity constituted by Paladin Resources NL and the entities it controlled during the financial year was mineral exploration.

## DIRECTORS' REPORT

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### RESULTS OF OPERATIONS

The economic entity's policy is to write off acquisition and exploration costs associated with abandoned or non-commercial areas and to this extent an amount of \$901,708 (1998: \$1,520,968) was written off. Expenditure totalling \$2,663,441 (1998: \$5,000,200) has been carried forward on other areas where operations are continuing. The consolidated results after abnormal items of \$681,935 (1998: \$1,121,861) are as follows:

	1999	1998
	\$	\$
Operating loss after income tax	2,084,565	3,053,710

### DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

### REVIEW OF OPERATIONS

A detailed review of the economic entity's operations is set out on pages 7 to 15 of this report.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the economic entity during the financial year not otherwise dealt with in this report.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity, the results of these operations or the state of affairs of the economic entity in subsequent financial years with the exception of those matters disclosed in Note 22 of the financial statements.

### ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to significant environmental regulation in respect to its exploration

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company reviewed the Company's projects during the year and are not aware of any breach of environmental legislation for the financial year under review.

### LIKELY DEVELOPMENTS

Likely developments in the operations of the economic entity constituted by Paladin Resources NL and the entities it controls from time to time are the exploration and development of projects currently held and the investigation, acquisition, exploration and development of additional prospects, yet to be identified, which may be considered by the Directors to have merit.

### OPTIONS OVER UNISSUED CAPITAL

#### Share Option Plan

On 21 June 1994, shareholders approved the introduction of the Paladin Resources NL Directors, Employees and Consultants Share Option Plan ("the Plan"). The number of options issued from time to time pursuant to the Plan shall not exceed 10% of the total issued shares in the Company. On 8 September 1994 the Company issued 1,985,000 unlisted options exercisable at 25 cents on or before 31 May 1999, pursuant to the Plan to 10 participants with a further 120,000 issued on 30 June 1997 to 2 participants on the same terms and conditions. During the year ended 30 June 1999 these options expired. On 24 January 1997, 230,000 unlisted options exercisable at 20 cents on or before 31 July 2000 were issued to 6 participants, pursuant to the Plan. The number of unissued ordinary shares under options issued pursuant to the Plan at the date of this report is 230,000. No further options can be issued pursuant to the Plan.

## DIRECTORS' REPORT

### OPTIONS OVER UNISSUED CAPITAL (CONTINUED)

#### Share Option Plan (continued)

No persons entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

	NUMBER	
	1999	1998
<b>Unlisted Options</b>		
(i) Exercisable at 20 cents, on or before 31 July 2000.		
Balance at 1 July 1998	4,500,000	4,500,000
Converted to listed options during year	(4,500,000)	-
Balance at date of this report	-	4,500,000
(ii) Exercisable at 35 cents, on or before 30 July 2000.		
Balance at 1 July 1998 and at date of this report	1,500,000	1,500,000
(iii) Exercisable at 20 cents, on or before 31 May 2000.		
Balance at 1 July 1998	4,100,000	-
Issued during year	-	4,100,000
Balance at date of this report	4,100,000	4,100,000
(iv) Exercisable at 25 cents, on or before 31 August 2000		
Balance at 1 July 1998	-	-
Issued during year	2,275,000	-
Balance at date of this report	2,275,000	-
<b>Listed Options</b>		
(v) Exercisable at 20 cents, on or before 31 July 1999		
Balance at 1 July 1998	12,461,181	-
Issued during year	-	12,461,806
Less exercised during year	-	625
Transferred from unlisted (31 July 2000)	4,500,000	-
Less expired subsequent to 30 June 1999	(16,961,181)	-
Balance at date of this report	-	12,461,181
(vi) Exercisable at 20 cents, on or before 31 October 2000		
Issued during year (entitlement issue)	18,686,638	-
Issued subsequent to 30 June 1999	250,000	-
Balance at date of this report	18,936,638	-

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS

	1999			
	FULLY PAID SHARES	OPTIONS**	OPTIONS****	
D Dunnet	5,987,336	750,000	323,904	
J Borshoff	10,731,587	950,000	750,000	
G Swaby	1,175,596	700,000	184,500	
R W Crabb	3,123,810	700,000	500,635	
	1998			
	FULLY PAID SHARES	OPTIONS*	OPTIONS**	OPTIONS***
D Dunnet	4,383,413	300,000	750,000	465,278
J Borshoff	10,228,237	500,000	950,000	444,444
G Swaby	1,142,096	300,000	700,000	125,000
R W Crabb	2,603,175	300,000	700,000	277,778

The particulars of Directors' interests in shares and options are as at the date of this report.

- \* Unlisted and exercisable at 25 cents on or before 31 May 1999, pursuant to the Paladin Resources NL Directors, Employees and Consultants Share Option Plan.
- \*\* Unlisted and exercisable at 20 cents on or before 31 May 2000.
- \*\*\* Listed and exercisable at 20 cents on or before 31 July 1999.
- \*\*\*\* Listed and exercisable at 20 cents on or before 31 October 2000.

### DIRECTORS' AND EXECUTIVES' EMOLUMENTS

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives.

#### Non-executive Directors of Paladin Resources NL

NAME	DIRECTORS' FEES	CONSULTING FEES
	\$	\$
D Dunnet	-	65,768
R Crabb	15,000	-

#### Executive Directors of Paladin Resources NL

NAME	CONSULTING FEES
	\$
J Borshoff	150,000
G Swaby	78,000

## DIRECTORS' REPORT

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### MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 1999 and the number of meetings attended by each Director.

Number of meetings held	12
Number of meetings attended by:	
D Dunnet	12
J Borshoff	12
G Swaby	10
R W Crabb	10

### INSURANCE OF OFFICERS

During the financial year, the Company has paid premiums to insure each of the following persons against certain liabilities arising out of their conduct while acting in the capacity of officer of the company.

J Borshoff  
D Dunnet  
G Swaby  
R Crabb

Under the terms of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

DATED at Perth this 30th day of September 1999

Signed in accordance with a resolution of Directors.

J Borshoff (Director)

CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 1999

	NOTE	CONSOLIDATED	
		1999	1998
		\$	\$
Operating loss before abnormal items and income tax		1,402,630	1,931,849
Abnormal items before income tax	3	681,935	1,121,861
Operating loss before income tax		2,084,565	3,053,710
Income tax attributable to operating loss		-	-
Operating loss after income tax		2,084,565	3,053,710
Accumulated losses at the beginning of the financial year		7,719,521	4,665,811
Accumulated losses at the end of the financial year		9,804,086	7,719,521
Earnings per share	5		

The accompanying notes form part of these concise financial statements.

DISCUSSION & ANALYSIS  
OF CONSOLIDATED PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 1999

Exploration and project evaluation continued to be the principal activity of the Group during the financial year. Non-cash items accounted for approximately 60% of the loss, with the write-off of capitalised exploration expenditure totalling \$901,708 contributing as the major expense. This write-off related to the Company's gold projects, with the uranium project expenditure being carried forward at cost. Similarly, in line with the Board's outlook for gold, the Company wrote down, as an abnormal item, the value of its investment in Gullewa Gold NL by \$325,000.

During the year, the Company embarked on an extensive overseas promotional campaign in the USA following Paladin's 20-F registration in that country. Costs incurred totalled \$356,935 and involved preparation of printed mail-out material and distribution costs. This campaign targetted approximately 900,000 residences and was carried out in conjunction with two other North American resource companies. This cost has been treated as an abnormal item.



CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 1999

	CONSOLIDATED	
	1999	1998
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	665,217	933,734
Receivables	50,842	85,228
<b>TOTAL CURRENT ASSETS</b>	<b>716,059</b>	<b>1,018,962</b>
<b>NON CURRENT ASSETS</b>		
Receivables	-	-
Investments	325,000	650,000
Property, Plant & Equipment	738,432	864,547
Other	2,668,441	5,005,200
<b>TOTAL NON CURRENT ASSETS</b>	<b>3,731,873</b>	<b>6,519,747</b>
<b>TOTAL ASSETS</b>	<b>4,447,932</b>	<b>7,538,709</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	75,202	260,640
Borrowings	16,248	-
Provisions	41,353	51,837
Other	-	1,500,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>132,803</b>	<b>1,812,477</b>
<b>NON CURRENT LIABILITIES</b>		
Other	-	1,250,000
<b>TOTAL LIABILITIES</b>	<b>132,803</b>	<b>3,062,477</b>
<b>NET ASSETS</b>	<b>4,315,129</b>	<b>4,476,232</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	14,119,215	12,195,753
Accumulated Losses	(9,804,086)	(7,719,521)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,315,129</b>	<b>4,476,232</b>

The accompanying notes form part of these concise financial statements.

DISCUSSION & ANALYSIS  
OF CONSOLIDATED BALANCE SHEET

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AS AT 30 JUNE 1999

#### ASSETS

The total asset position decreased during the year. The major reason for this was a reduction in the acquisition price of the Manyingee Uranium Project by \$2,250,000 from the initial purchase price of \$3,250,000. The asset was acquired in June 1998 on deferred payment terms. On 29 March 1999, these payment terms were renegotiated, so that the cash payment due on 30 June 1999 of \$1.5 million was reduced to \$500,000 with the amount due of \$1.25 million on 30 June 2000 no longer payable. A further payment of \$750,000 is due only if the project obtains all development approvals. The royalty was increased from 1% (uncapped) to 2.5% (up to 2,000t U<sub>3</sub>O<sub>8</sub>) and 1.5% (2,000t to 4,000t U<sub>3</sub>O<sub>8</sub>), reflecting the reduction in up-front cash payments

Capitalised exploration expenditure amounted to \$809,949, however, \$901,708 was written off during the year in relation to prior capitalised expenditure on the Company gold projects.

The Company's investment in Gullewa Gold NL was written down by \$325,000 reflecting the current depressed status of the gold equities market.

#### LIABILITIES

Liabilities decreased, due to the reduction in the purchase price of the Manyingee acquisition and the payment of \$500,000, being the balance of the renegotiated purchase monies due for that project.

#### EQUITY

Share capital increased during the year with new share issues raising \$1,923,459.

As at balance date the issued capital of the Company comprised 103,410,890 fully paid shares.

DISCUSSION & ANALYSIS  
OF CONSOLIDATED STATEMENT OF CASH FLOWS

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FOR THE YEAR ENDED 30 JUNE 1999

#### CASH FLOWS FROM OPERATING ACTIVITIES

The net cash outflow was substantially higher than in the previous year largely due to the costs incurred in the USA promotional campaign of \$356,935. This was referred to in the discussion of the loss for the year. Lower interest received reflected a reduced level of funds on deposit for the majority of the year.

#### CASH FLOWS FROM INVESTING ACTIVITIES

Exploration and evaluation expenditure for the year increased over the previous year with the evaluation of the Manyingee project acquired at the end of the previous financial year. The outflow in relation to the purchase of prospects also included \$500,000 related to the Manyingee project.

#### CASH FLOWS FROM FINANCING ACTIVITIES

The cash flow related to share issues during the year comprising both placements and an entitlement issue. Costs associated with this are reflected as outflows.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 1999

	1999	1998
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(782,362)	(374,506)
Interest received	27,073	73,692
Sundry income*	78,927	82,586
	(676,362)	(218,228)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(14,993)	(21,620)
Exploration and evaluation expenditure	(844,319)	(715,955)
Purchase of prospects	(672,553)	(680,000)
Payments for investments	-	(78,897)
	(1,531,865)	(1,496,472)
<b>Cash flows from financing activities</b>		
Share placement	1,995,431	2,243,033
Fundraising costs	(71,969)	(107,716)
	1,923,462	2,135,317
<b>Net (decrease) / increase in cash held</b>	(284,765)	420,617
Cash at the beginning of the financial year	933,734	513,117
	648,969	933,734

The accompanying notes form part of these concise financial statements

\* Reimbursements from joint venture partners.

NOTES TO AND FORMING PART OF THE  
CONCISE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1999

1. CHANGES IN ACCOUNTING POLICY

There were no changes in accounting policies for the year ended 30 June 1999 with the exception of the following :

**Project Generation Database**

With effect from 1 July 1998 the Directors resolved to amortise the cost of this database on a straight line basis over a period of 10 years. The financial effect of this policy change is not material.

**Fundraising Costs**

The treatment of share issue costs has changed for year ended 30 June 1999. These costs are now netted against the capital raised for the period rather than expensed in the period.

These costs amounted to \$71,969 (1998: \$107,716).

2. SEGMENT INFORMATION

The economic entity operates predominantly in the mining and exploration industry in Australia.

3. ABNORMAL ITEMS

Abnormal items comprise the write-down of the investment in Gullewa Gold NL of \$325,000 to recoverable amount and USA promotion costs of \$356,935. No tax benefits have been recognised in relation to these losses.

4. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the current year.

5. EARNINGS PER SHARE

	CONSOLIDATED	
	1999	1998
	(CENTS)	(CENTS)
(a) Basic Loss Per Share	(2.43)	(4.07)
Weighted average number of ordinary shares on issue during the year used in the calculation of basic earnings per share	85,784,428	75,066,687

(b) Diluted Earnings Per Share

Diluted earnings per share is the same as the basic earnings per share as potential ordinary shares are not dilutive.

NOTES TO AND FORMING PART OF THE  
CONCISE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1999

6. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the economic entity in subsequent financial years with the exception of:

**Sale of Part Investment in Gullewa Gold NL**

On 2 July 1999, the Company disposed of half of its investment in Gullewa Gold NL to Allegiance Mining NL being 4,048,430 fully paid shares at 3.5¢ per share together with the grant of a first right of refusal over the balance of the holding and the granting of a voting proxy over the balance held by Paladin (4,048,430 fully paid shares).

**Conversion of Partly Paid Shares in Gullewa Gold NL**

On 30 August 1999, the Company paid up the 2,024,215 partly paid shares at a cost of \$141,695.

**Expiry of Listed Options**

On 31 July 1999, 16,961,181 listed options exercisable at 20 cents expired.

**Kambalda West Joint Venture**

On 22 September 1999, Paladin gave notice of its withdrawal from the Kambalda West Joint Venture, effective 22 October 1999.

**Issue of Shares and Options**

On 30 August 1999, the Company placed 250,000 fully paid shares at an issue price of 8¢ per share together with 250,000 free attaching options exercisable at 20 cents on or before 31 October 2000.

**Curnamona Joint Venture**

On 20 September 1999, Paladin renegotiated the terms of the joint venture with Datafast Telecommunications NL (formerly Goldminco NL), such that Paladin's equity has increased from 45% to 50% with Datafast Telecommunications NL retaining a 1% net of smelter royalty on non-uranium minerals.

7. SALES REVENUE

There was no sales revenue during the year (1998: nil).

8. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request from the Company. A copy may be requested by calling (08) 9381 4366.

## DIRECTORS' DECLARATION

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FOR THE YEAR ENDED 30 JUNE 1999

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 1999 as set out on pages 22 to 27 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 1999.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which as indicated in note 8, is available on request.

This declaration is made in accordance with a resolution of the Directors.

John Borshoff  
Director

Perth  
30th September 1999

## INDEPENDENT AUDIT REPORT

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TO THE MEMBERS OF PALADIN RESOURCES NL

### SCOPE

We have audited the concise financial report of Paladin Resources NL (the Company) for the financial year ended 30 June 1999 as set out on pages 22 to 28, in order to express an opinion on it to the members of the Company. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the Company for the financial year ended 30 June 1999. Our audit report on the full financial report was signed on 30th September 1999, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information included in it is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion as to whether the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports in that, in all material respects, it is presented fairly in accordance with that standard.

The audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

In our opinion, the concise financial report of the Company complies with Accounting Standard AASB 1039: Concise Financial Reports.

PricewaterhouseCoopers  
Chartered Accountants

John O'Connor  
Partner  
Perth, Western Australia

30th September 1999

## ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of Australian Stock Exchange Limited as at 7 September 1999.

(a) Distribution

	NUMBER	
	SHAREHOLDERS	OPTIONHOLDERS
1 - 1,000	9	35
1,001 - 5,000	75	174
5,001 - 10,000	173	85
10,001 - 100,000	675	162
100,001 - maximum	143	35
	1075	491

131 shareholders hold less than a marketable parcel of shares.

483 optionholders hold less than a marketable parcel of options.

(b) Substantial shareholders (5% or more of issued capital)

- J Borshoff and associated companies
- Uranex Resources Ltd
- D. Dunnet and associated companies

(c) The twenty largest shareholders hold 47.73% of the total shares issued.

HOLDER	NO. OF SHARES	%
Aylworth Holdings Pty Ltd	10,438,237	10.07
Uranex Resources Ltd	7,000,000	6.75
Merrill Lynch (Australia) Nominees Pty Ltd	5,240,160	5.06
Shar Holdings Pty Ltd	3,148,668	3.04
Mr R.W. & C.J. Crabb	3,003,810	2.90
Mr James U Blanchard III	2,777,778	2.68
Overnight Nominees Pty Ltd	2,560,000	2.47
Grundy Nominees Pty Ltd	1,926,806	1.86
Aurex Pty Ltd	1,571,427	1.52
ANZ Nominees Limited	1,528,600	1.47
Planmoor Investments Pty Ltd	1,400,708	1.35
Mr Brian Lee & Ms Audrey Lee	1,240,033	1.20
Strategic Consultants Pty Ltd	1,175,596	1.13
National Nominees Ltd	1,108,500	1.07
Berne No 132 Nominees Pty Ltd	1,000,500	0.97
Mr Gregory James Buchanan & Mrs Heather Joy Buchanan	1,000,000	0.96
Serlett Pty Ltd	900,000	0.87
Dr Leon Eugene Pretorius	840,000	0.81
Tilbia Nominees Pty Ltd	840,000	0.81
Mr Arthur John Dennis	767,691	0.74
	49,468,514	47.73



## ADDITIONAL INFORMATION

(d) The twenty largest optionholders hold 55.67% of the total options issued.

HOLDER	NO. OF OPTIONS	%
Overnight Nominees Pty Ltd	2,510,000	13.25
Serlett Pty Ltd	1,000,000	5.28
Aylworth Holdings Pty Ltd	750,000	3.96
Mr B. & A. Lee	643,366	3.40
Mr Gregory James Buchanan & Mrs Heather Joy Buchanan	600,000	3.17
Shar Holdings Pty Ltd	524,778	2.77
Mr Gerald Peter Burns	520,000	2.75
Mr R.W. & C.J. Crabb	500,635	2.64
Pata Nominees Pty Ltd	487,000	2.57
Mr Michael Joseph Wildie	375,000	1.98
Grundy Nominees Pty Ltd	340,000	1.80
Pemway Imports Pty Ltd	306,000	1.62
Mr Ronald Charles Pimms & Mrs Johanna Jacoba Pimm	300,000	1.58
Planmoor Investments Pty Ltd	272,957	1.44
Aurex Pty Ltd	261,904	1.38
Calm Holdings Pty Ltd	250,000	1.32
Volova Pty Ltd	250,000	1.32
Mr Malcolm Waters	250,000	1.32
Grekar Pty Ltd	200,000	1.06
Tromso Pty Ltd	200,000	1.06
	10,541,640	55.67

(e) Voting rights

For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

(f) Mining Tenements held -

### URANIUM PROJECTS

Western Australia	PROJECT	TENEMENT/S	INTEREST %	JV PARTNER/S	OPERATOR
	Manyingee	3M's	100%	-	-
	Oobagooma	4E(A)'s	100%	-	-
	Ponton	6E(A)'s	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL
	Gascoyne	1E	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL

## ADDITIONAL INFORMATION

(f) Mining Tenements held - (continued)

### URANIUM PROJECTS

#### South Australia

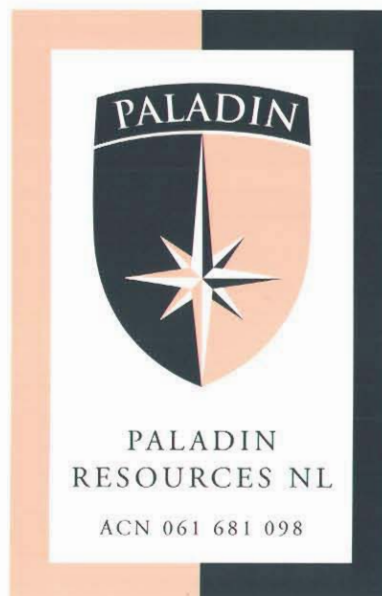
PROJECT	TENEMENT/S	INTEREST %	JV PARTNER/S	OPERATOR
Lake Elder	3EL's	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL
Curnamona	4EL's	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL
Siccus Joint Venture	3EL's	45%	Brightstar Power Corporation Pty Ltd & Signature Resources NL	Paladin Resources NL
Bingelly Joint Venture	1EL	40%	Brightstar Power Corporation Pty Ltd & Fortuna NL	Paladin Resources NL
Emu Well Joint Venture	1EL	45%	Brightstar Power Corporation Pty Ltd & J.E. Risinger	Paladin Resources NL
<b>Northern Territory</b>				
Napperby	2EL(A)'s	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL
N E Arunta	1EL(A)	50%	Brightstar Power Corporation Pty Ltd	Paladin Resources NL
<b>Malawi-Africa</b>				
Kayelekera	1EPL	80%	Balmain Resources NL	Paladin Resources NL

### NON-URANIUM PROJECTS

#### Western Australia

PROJECT	TENEMENT/S	INTEREST %	JV PARTNER/S	OPERATOR
Dunnsville Joint Venture	1E	30%	Ida Gold Pty Ltd	Delta Gold NL
Ashburton Basin	4E(A)'s	100%	-	-
<b>Northern Territory</b>				
Litchfield	1EL	100%	-	-
Brumby Joint Venture	1EL	20%	Acacia Resources Ltd	Acacia Resources Ltd
Davenport	1EL(A)	30%	Normandy Gold Pty Ltd	Normandy Gold Pty Ltd

<i>E</i>	<i>Exploration Licence (WA)</i>
<i>E(A)</i>	<i>Exploration Licence Application (WA)</i>
<i>M</i>	<i>Mining Lease (WA)</i>
<i>EL</i>	<i>Exploration Licence (SA and NT)</i>
<i>EL(A)</i>	<i>Exploration Licence Application (SA and NT)</i>
<i>EPL</i>	<i>Exclusive Prospecting Licence (Malawi)</i>



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